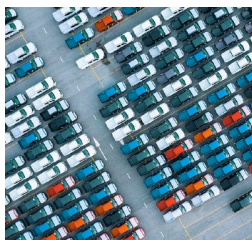


[AUTOMOTIVE]



Motor vehicles and parts are some of the most highly traded products in the world, facilitated by sophisticated and complex supply chain networks. General Motors, for example, spends \$80 billion annually across roughly 15,000 global suppliers.

While this supply chain network enhances industry productivity and efficiency, it also leaves much space for supply disruptions, due in part to the size and complexities of its networks.

ONE IN A SERIES OF REPORTS THE COMPTROLLER HAS PREPARED ON TEXAS SUPPLY CHAINS; FOR MORE INFORMATION PLEASE SEE BELOW.

IN 2020

TEXAS AUTOMOBILE MANUFACTURING JOBS

38,724

TEXAS AUTOMOBILE MANUFACTURING GDP

\$15.1 BILLION

TEXAS AUTOMOBILE MANUFACTURING EXPORTS

\$11.7 BILLION

Sources: JobsEQ; U.S. Census Bureau, USA Trade Online

Texas Automobile Manufacturing Supply Chain Resilience

The economic disruptions caused by the COVID-19 pandemic continue to hamper automotive production. Global automakers are expected to produce up to 5 million fewer cars than planned in 2021, largely due to a global shortage of semiconductors. And trade disputes remain a common source of disruption, as countries often protect domestic auto production through tariffs, trade restrictions and local sourcing requirements.

In response, automotive leaders have planned several strategies to build greater resilience in their supply chains, including:

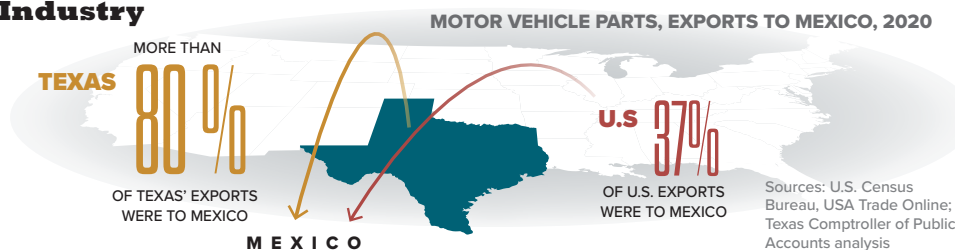
- DUAL SOURCING OF RAW MATERIALS.
- INCREASING INVENTORY OF CRITICAL PRODUCTS.
- NEARSHORING OR EXPANDING SUPPLIER BASE.
- REGIONALIZING SUPPLY CHAIN.
- INVESTING IN DIGITAL TECHNOLOGIES TO ENHANCE SUPPLY CHAIN VISIBILITY.

Texas Automobile Manufacturing Industry

Automobile manufacturing is an important contributor to Texas jobs, trade and economic growth.

- Automobile manufacturing jobs rose by an average rate of 3.0 percent between 2010 and 2020, outpacing statewide job growth.
- Between 2001 and 2019, the gross domestic product (GDP) of Texas' automobile manufacturing industry (including motor vehicles, bodies and trailers, and parts) rose by an inflation-adjusted **285 PERCENT – NEARLY FOUR TIMES THE GROWTH OF THE STATE'S TOTAL GDP.**

Automobile supply networks are some of the most regionalized. Exports of intermediate parts circulate within three broad regions – North America, Europe and Asia. Texas is a beneficiary of this regional network, especially in its trade with Mexico in motor vehicle parts products.



Texas Auto Manufacturing Trade

- In 2020, all Texas automobile manufacturing imports totaled **\$38.3 BILLION** (14 percent of U.S. total), and the state had **\$11.7 BILLION** in exports (about 11 percent of the U.S. total).

TEXAS EXPORTS IN VEHICLE PARTS WERE \$8.3 BILLION IN 2020, ACCOUNTING FOR 19 PERCENT OF THE U.S. TOTAL.

- Motor vehicle parts account for the bulk of automobile-related exports, totaling nearly **\$8.3 BILLION**, or 71 percent, of the state's auto-related exports in 2020. That compares to a 40 percent share nationwide, reflecting the importance of these products to Texas.
- More than 80 percent of Texas' auto parts exports were to Mexico (by comparison, Mexico accounted for 37 percent of U.S. auto parts exports). Mexico also accounted for nearly 80 percent of Texas' auto parts imports. U.S. auto parts imports from Mexico comprised a much smaller share at 43 percent.

THIS IS ONE IN A SERIES OF REPORTS THE COMPTROLLER HAS PREPARED ON TEXAS SUPPLY CHAINS

TO SEE MORE INFORMATION ON SUPPLY CHAINS AND THE TEXAS ECONOMY: <https://comptroller.texas.gov/economy/economic-data/supply-chain/>